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(1 of 3)

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Please review the attached material in preparation for the Accelerated Payment Arrangement Options meeting scheduled for 1/15/97.

Thanks.

Jim Ancharski
1/8/97

DEPOSITION EXHIBIT 42

MP4011070834

Re Accelerated Payment Arrangement (AP) Option Program

To The Field Force

The November 4, 1996 letter discussing the 1997 dividend scale for individual (ordinary) life insurance policies referred to an enhanced Accelerated Payment Arrangement option program. The purpose of this letter is to introduce that program. Many of the features of the program are currently available and are being introduced now. Other features will be introduced as soon as they're available.

There are currently more than 175,000 customers who have elected the Accelerated Payment Arrangement. Based on the 1997 dividend scale, less than 1/3 of those customers will have to make additional out-of-pocket premium payments at some point in order to keep their policy on this arrangement. More than 15,000 will be expected to make out-of-pocket premium payments within the next five years. Of course, there are other customers (we currently can not identify) who, based on sales illustrations provided at issue, may be planning to elect the Accelerated Payment Arrangement but may not be able to begin it as early as planned because of insufficient policy values.

The goal of the AP Option Program is to equip you with materials to help you explain why dividends have been reduced, as well as to provide clients with options to adjust their premium payment patterns.

Details of the AP Option Program are provided on the following pages. The program was developed based on substantial research and input from your field associates. We think it's a great program, but that doesn't mean it can't be improved. If you have any ideas along these lines, please let me know.

Sincerely,

Executive Vice-President
December 29, 1996

Attachment

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DETAILS

YOUR ACCELERATED PAYMENT ARRANGEMENT CUSTOMERS

Lists of all current Accelerated Payment Arrangement policyholders will be distributed next month to your Regional Vice-President, who will in turn get this information to you. Those customers whose values are insufficient based on the 1997 dividend scale to pay all future premiums will be separately identified. In addition, the report will indicate the year in which additional out-of-pocket premium payments are expected to be needed for these customers. The listing will identify customers assigned to an active account representative regardless of where the policyholder resides. Policyholders who are not currently assigned to an active account representative and who reside in your region/ agency will also be listed. The listings will include information about other MetLife products in-force in the household. This information will be distributed annually at the beginning of each year (approximately, January 15th in 1997). Appendix A shows a sample report.

In addition, you will receive advance notification on a monthly basis via anniversary statement/billing processing about policies which, based on the 1997 dividend scale, are expected to become "insufficient" within 5 years. Additional details are provided below under "Anniversary Processing".

THE OPTIONS

Pay None

- "Wait & See"
  Existing policy values may be sufficient to pay premiums for several more years before any out-of-pocket premium payments will be necessary. Because capital markets are so dynamic, there is a possibility that dividend scales in the future could increase sufficiently such that, by waiting, no out-of-pocket premium payments may be needed. By waiting, however, if dividends don't increase, the total out-of-pocket premium payment required would be more than if some out-of-pocket premium payments were made now.

  This option is probably not a good choice for a policyholder who would have to make an out-of-pocket premium payment within the next three years. This option involves risk of further policyholder concerns because premium dollars paid today will provide substantially more value than future premiums would.

- "Reduce the Amount of Coverage"
  By reducing the amount of coverage by no more than 25% of the original amount, we can guarantee that no further out-of-pocket premium payments will be needed. Depending on the policy type and the issue year, this option will consist of either a reduced paid-up nonforfeiture option or a 1035 exchange to a newly designed universal life policy, whichever is more beneficial to the policyholder. The universal life policy will not be available until July or later because of insurance department filing requirements.

  The "Reduce Face" option is only available to policyholders who have paid premiums out-of-pocket in full for at least 7 years after issue. It is not available for policies with outstanding policy loans or for which the dividend option at

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any time since issue has been other than Additional Insurance or Dividends With Interest.

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Pay Some

Remember: The more premiums paid the more total life insurance protection and cash value; also, the more cushion against the need to pay unexpected premiums in the future.

- "Pay Full Premium"
  By paying a premium now and maybe for a few more years, values could increase sufficiently based on the current dividend scale to enable the Accelerated Payment Arrangement to fully engage again in the future.

- "Pay the Difference"
  The out-of-pocket premium needed would be the difference between the full premium and the current annual dividend. While this out-of-pocket premium payment is less than the full premium, it would result in out-of-pocket premium payments being needed for a longer period of time than the "Pay Full Premium" option described above.

- "Pay Part of the Full Premium"
  The out-of-pocket premium calculated will be the out-of-pocket premium needed each year for the remaining number of policy years, based on the current dividend scale, to make up the shortfall that the Accelerated Payment Arrangement is insufficient to pay. Once calculated, the premium must be paid for the remainder of the life of the policy. While this out-of-pocket premium payment is less than the full premium, it would result in out-of-pocket premium payments being needed for a longer period of time than the "Pay Full Premium" option described above.

- "Pay A Full Premium Every 4 Years"
  This "Leap Year" option is only available when current policy values are determined to be sufficient, based on the current dividend scale, to pay premiums in the other three years via the Accelerated Payment Arrangement.

SUPPORT

The following mechanisms have been or are being developed to support these options.

Inforce Illustrations Until April, 1997

The illustration system as it currently exists has to be used. Currently, the in-force illustration system provides either an Accelerated Payment (AP) or Summary/Ledger (S/L) input option. Under the AP input option: (a) if the Accelerated Payment Arrangement is already effective, a sufficiency type of illustration (the "Wait & See" illustration described below) is produced; or (b) if the Accelerated Payment Arrangement is not in effect, the illustration will show the earliest year in which the Accelerated Payment Arrangement can be elected (based on the current dividend scale).

The S/L input option will have to be used to illustrate other than the "Wait & See" option. The S/L illustrations allow a

schedule of withdrawals to be input allowing you to mimic the system that will be available in April, e.g., input a withdrawal of X% of the annual premium each year. It is a trial and error process and it's recommended the analysis be done prior to visiting a client. Instructions on how to maneuver the S/L input option are provided in Appendix B.

Inforce Illustrations From April, 1997 Until July, 1997

By April, 1997 the traditional life in-force illustration system will have been enhanced to eliminate the trial and error approach. It will allow you to much more simply illustrate the options described above for policies whose values under the Accelerated Payment Arrangement are no longer sufficient.

The enhancements to the current in-force illustration facility will apply only to an existing policy on which the Accelerated Payment Arrangement is in effect and will:

- Apply only when the current dividend option is AI
- Ignore any scheduled PUAR payments
- Not allow changes in dividend options
- Apply only to policies without an outstanding loan balance
- Apply beginning on the next policy anniversary. Thus, you will be required to input requests for these illustrations/options prior to the current policy anniversary.

The AP input option will provide the following options based on the current dividend scale for policies whose values are no longer sufficient. In each situation, the "Wait & See" illustration will always be produced. In addition, you may choose other illustrations to correspond with the option chosen.

⇒ Wait & See--The illustration will indicate how many more years existing values would be sufficient to pay premiums and, therefore, the year when additional out-of-pocket premiums are expected to be needed.

⇒ Pay Full--The illustration will solve for the number of additional years out-of pocket premium payments would be needed to eliminate the insufficiency.

⇒ Dividend Reduction--The illustration will indicate the out-of-pocket premium payment required based on the current dividend scale. It will show the year when out-of-pocket premiums could be stopped, if ever, based on the payment pattern.

⇒ Partial Payment Each Year--The illustration will solve for the amount of out-of-pocket premium payment required each year in conjunction with the balance of the premium being paid by the Accelerated Payment Arrangement.

⇒ "Leap Year"--The illustration will indicate when values are sufficient for this option to be chosen.

It is important to note that the full and partial payment

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Illustrations will solve conservatively so that if, for example, based on the current dividend scale it is calculated that 1 more premium is needed to make the policy sufficient for the Accelerated Payment Arrangement the illustration will indicate 2 premiums are needed; or, if 9% of the premium needs to be paid out-of-pocket for the balance to be paid under the Accelerated Payment Arrangement, the illustration will indicate 15% is needed. This provides some cushion for any future dividend reductions

Inforce Illustrations From July 1997

Illustration capability will become available for policies for which premiums have been paid at least seven years regardless of whether current and projected dividend balances are expected to be sufficient to elect the Accelerated Payment Arrangement. In addition, the following option will be able to be illustrated:

⇒ Reduce Face–The illustration will indicate the amount of face reduction required to eliminate the need for further out-of-pocket premium payments.

Anniversary Processing (Billing)

Changes to Anniversary Processing Immediately Available

For policies on the Accelerated Payment Arrangement, the anniversary statement will, when an additional out-of-pocket premium payment is expected to be needed within 5 years, indicate the expected insufficiency. This information will be provided to you at least two weeks prior to being released to the policyholder.

Changes to Anniversary Processing Available By June, 1997

In addition, by June, 1997, via SONIC, the following information will be provided:

⇒ A new AP year until which out-of-pocket premiums must be paid based on the current dividend scale.

⇒ The out-of-pocket percent of premium payment needed for the remaining number of policy years with the balance of the premium being paid by the Accelerated Payment Arrangement.

⇒ If 1 out-of-pocket premium is paid, the Accelerated Payment Arrangement will then pay premiums until (date).

⇒ If 2 out-of-pocket premiums are paid, the Accelerated Payment Arrangement will then pay premiums until (date).

⇒ If 3 out-of-pocket premiums are paid, the Accelerated Payment Arrangement will then pay premiums until (date).

Changes to Anniversary Processing Available 1998 and later

Once an option is elected, future (i.e., 1998 and later) billing notices/anniversary statement will recognize the option elected. For example, if the policyholder elected to pay 25% of the annual premium out-of-pocket, the bill will request payment of 25% of the premium and state that the balance will be deducted from their dividend/PUAR balance. There will always be an option to pay the full premium out-of-pocket. Further, if future dividend scale reductions occur, such that the 25% out-of-pocket premium payment becomes insufficient, the bill will indicate the new date of insufficiency.

Option Election Form

An easy to complete request for a modified Accelerated Payment Arrangement has been developed and is now available. A sample is provided in Appendix C.

PACKAGING

To help you understand and explain the Accelerated Payment Arrangement option program we have developed the following materials:

- Track Book [order # APTP (1/97)]
- Video [order # APVIDEO (1/97)]
- Customer Brochure [order # APBRO (1/97)]
- Option Election Form [order # APELECT (1/97)]

These materials are available as a package [order # APPACK 1/97)]. Each piece can also be ordered separately.

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Appendix A

Re Household Information Regarding Policies Under the Accelerated Payment Arrangement

The report will be distributed to Regional Vice-President and will include the following information:

- For each agency the policies for which the Accelerated Payment Arrangement has been elected
- For those policyholders with a policy on which the Accelerated Payment Arrangement has been elected, other MetLife products in-force in the household

There will be separate reports for agency managers and for the servicing agents. The agency manager report will include a control list indicating the number of policies assigned to an active servicing account representative in the agency, regardless of where the policyholder resides. It will also include orphaned contracts that have to be assigned to an agent. The number of policies will be broken down to show those whose values are still sufficient and those with insufficient values. It will look like the following:

Manager's Control List
Policies Under the Accelerated Payment Arrangement
Sales Office: A18 (Alderwood, WA)

This list contains the agencies in your sales office with policies under the Accelerated Payment Arrangement which are assigned to an active servicing agent. Orphaned policies are listed on a separate page and should be assigned to an active agent. The number of policies which are sufficient and the number insufficient are shown separately.

Agency Index	Name of Servicing Agent	# of Sufficient Policies	# of Insufficient Policies	# Insufficient Within 5 Years
xxxx-y	John Doe	4	2	1
aaa-b	Sally Smith	1	3	0
Total		14	9	3

For each policy under the Accelerated Payment Arrangement a household report for each account representative will be provided in duplicate–one for the account representative and one for the agency manager. The report will look like the following:

Sales Office: A18 (Alderwood, WA)
Servicing Agent: xxx John Doe

Address	Policy	Suffix	Owner	Plan	Issue Date	Acct Bal/ Face Amt	Date When Insufficient	Date Phoned	Appt Date
123 Street	1234567	A	Name	Life	5/2/87	150,000	5/2/03	--/--/--	--/--/--
Any City, State	4567890	0	Name	MPC	9/17/91				
Tel:1111111111	3425678	AB	Name	Pen	11/2/83	67,444			
456 Street	2345677	A	Name	Life	10/16/65	50,000	NA	--/--/--	--/--/--
Any City, State	6785321	AB	Name	Pen	12/1/71	36,743			
Tel:1111111111									

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Appendix B

Re Maneuvering the S/L Input Option In-Force Illustration System

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Appendix C

Re Request for a Modified Accelerated Payment Arrangement

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REQUEST FOR A MODIFIED ACCELERATED PAYMENT ARRANGEMENT

Sales Office / and Name: ______________________ Agency: ______________
Policy #: ______________ Suffix: ________ Policyholder's Name: ______________
Policyholder's Address: ______________________ Insured's Name (If Different): ______________
______________________ Current Dividend Option: ______________
Telephone #: ______________ Taxpayer ID: ☐☐☐ ☐☐ ☐☐☐☐

By signing this form I certify under penalties of perjury that my taxpayer ID is correctly shown on this form and I am not subject to a backup withholding order issued by the Internal Revenue Service.

PAY NONE

☐ I understand my policy's values might not be sufficient to pay all subsequent annual premiums when due, but I elect to *Wait and See* what happens.

☐ I elect to *Reduce My Face Amount* of insurance coverage to $__________. I understand by electing this option I won't ever have to pay another premium out-of-pocket for coverage under this policy. I further understand that once reduced, I cannot reinstate coverage under this policy. Finally, I understand this option is available only if I have paid premiums in full for at least seven years, my only dividend option since issue has been AI or DWI, and I have never made a withdrawal or loan from my policy.

PAY SOME

☐ I elect to pay the next __ annual premium(s) for the above policy out-of-pocket with the balance being paid as indicated below.

☐ I elect to pay $____ of my annual premium for the above policy out-of-pocket each year with the balance being paid as indicated below

☐ I elect to use dividends to reduce the amount of annual premium I pay each year and to pay the balance of my annual premium(s) for the above policy out-of-pocket each year.

☐ I elect to pay my annual premium for the above policy out-of-pocket once every 4 years and to pay the annual premium in the other three years by a withdrawal from the policy's dividend balance.

PAY BALANCE

☐ I authorize that each year the balance of the annual premium for the above policy that I do not pay out-of-pocket be paid via a withdrawal of the policy's dividend balance 1st. If the cash value of the dividend balance is not sufficient to pay the full premium, the balance of the premium should then be paid by a withdrawal from the cash value of the Paid-Up Additions Rider.

☐ I authorize that each year the balance of the annual premium for the above policy that I do not pay out-of-pocket be paid via a withdrawal of the policy's dividend balance only.

☐ I authorize that each year the balance of the annual premium for the above policy that I do not pay out-of-pocket be paid via a withdrawal from the cash value of the Paid-Up Additions Rider only. I understand this will result in the crediting of smaller future dividends for the PUAR.

☐ I authorize that each year the balance of the annual premium for the above policy that I do not pay out-of-pocket be paid via a withdrawal from the cash value of the Paid-Up Additions Rider. If the cash value of the PUAR is not sufficient to pay the full premium, the balance of the premium should then be paid by a withdrawal of the policy's dividend balance. I understand this will result in the crediting of smaller future dividends for the PUAR.

With regard to any of the "PAY SOME" options, I understand that future dividends are not guaranteed. If future dividends scales decrease and/or I make a withdrawal from or take a loan against the policy, it may not be possible to have future premiums paid under the Accelerated Payment Arrangement. In such case, I understand that the Accelerated Payment Arrangement will terminate and if I want the policy to remain in effect, out-of-pocket premium payments will be required.

SIGNATURE

______________________ ______________
(Signature of Policyowner) (Date)

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Metropolitan Life Insurance Company
New York, New York

APTB (1/97)

95121 MRV (exp 12/96) MLIC-LD

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REVIEWING YOUR WHOLE LIFE POLICY

MetLife®

The goal of our meeting is to:

- Review your life insurance program.
- Discuss your Whole Life policy's features and benefits.
- Evaluate options to help ensure your policy's performance in the future.

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WHOLE LIFE INSURANCE—A CHOICE TO LAST A LIFETIME

MetLife®

You purchased your Whole Life policy to meet your needs throughout your life.

Whole Life is the ***only*** type of insurance that provides you with ***guaranteed*** protection and benefits at a ***guaranteed*** premium level – no matter how long you live.

CERTAIN

- Your premium is guaranteed not to increase.
- Your death benefit is guaranteed as long as premiums are paid.
- Your policy's cash values are guaranteed to grow at a minimum rate as long as premiums are paid.

UNCERTAIN

- Dividends

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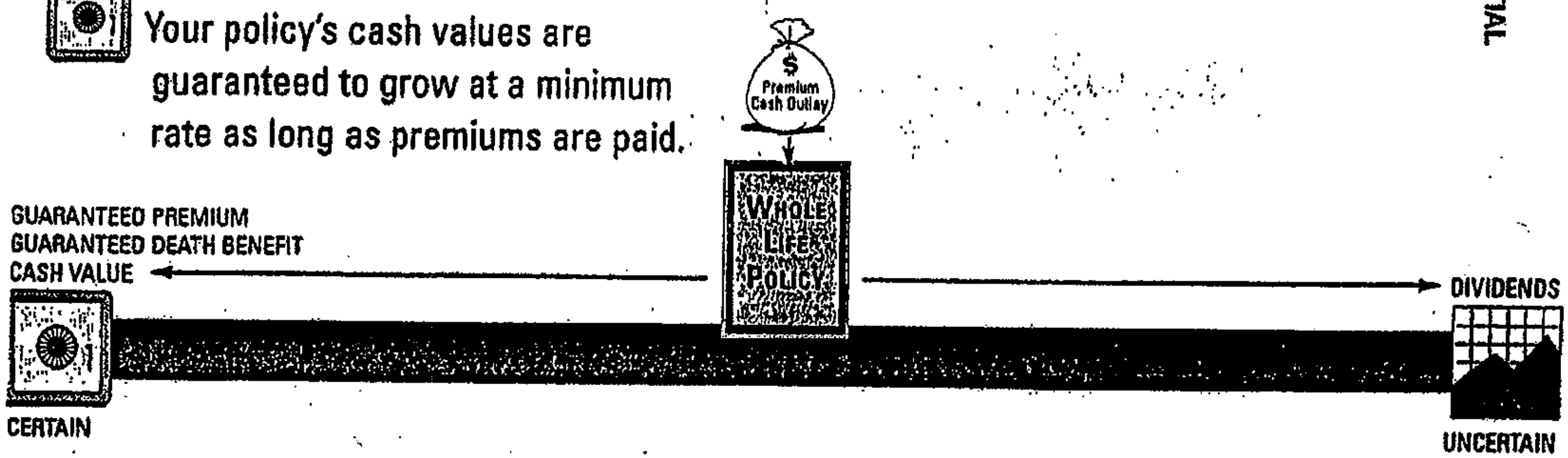

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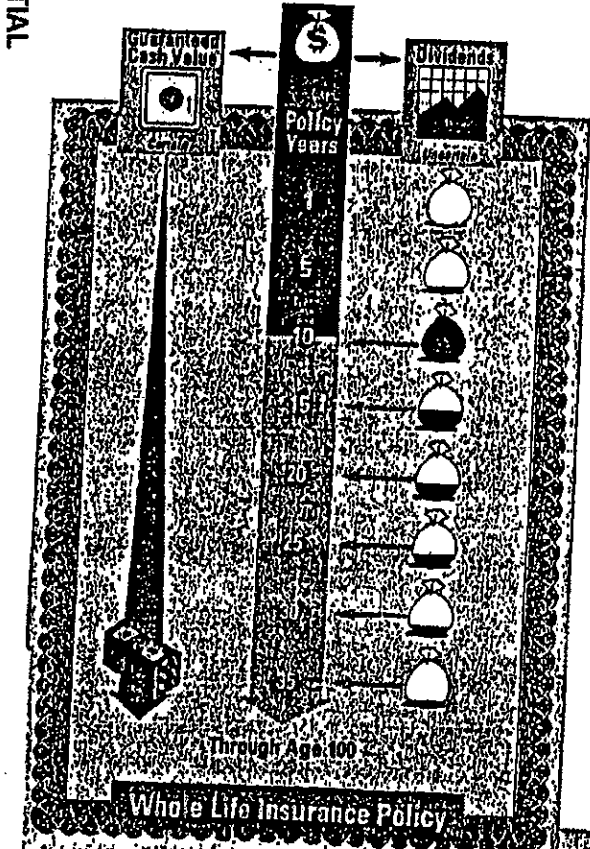
THE ACCELERATED PAYMENT ARRANGEMENT

MetLife

ORIGINALLY ILLUSTRATED



Your Whole Life premiums must be paid each year to ensure your policy's guarantees. Premiums can be paid:

- Out-of-pocket

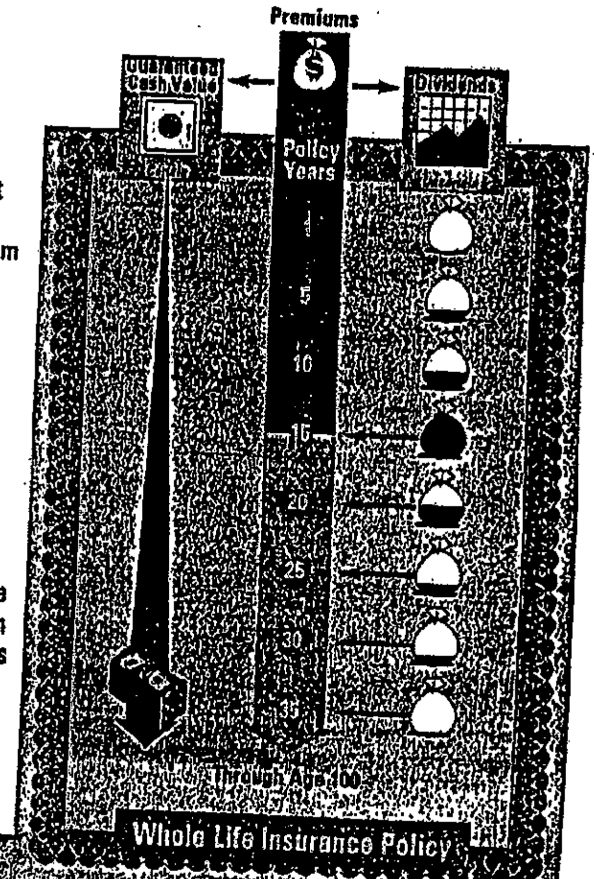
  or

- Through the option you selected, the Accelerated Payment Arrangement.

The Accelerated Payment Arrangement is based on dividend performance. Increases or decreases in dividends from those originally illustrated can impact the actual year in which out-of-pocket premium outlays can stop and the Accelerated Payment Arrangement can take over.

In our example at the left, the policy was originally illustrated as having sufficient dividends to end out-of-pocket payments in year 10. Because the dividend scale was reduced, out-of-pocket premiums are now required through year 15 as shown in our example at right. If however, dividends had been greater than illustrated, fewer out-of-pocket premium cash payments may have been required.

ACTUAL PERFORMANCE



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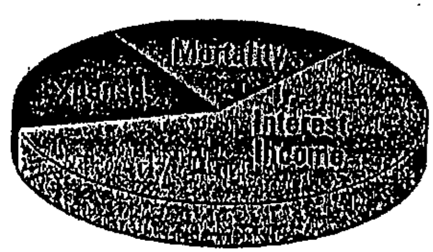
HOW DIVIDENDS ARE DETERMINED

MetLife

Each year, MetLife declares dividends on new and in force policies. Dividends do not depend *solely* on earnings, but are determined based on the following factors:

Premiums	The new money received to be used to provide benefits and be invested.
+ Interest income	Earnings on investments, which are dependent upon interest rates and other changes in the financial markets.
– Expenses	Our cost of doing business, including taxes.
– Mortality	The amount of death claims we pay each year and reserves for future death claims.
= Dividends	

It is the net effect of these factors that determines the dividend level.



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5

DIVIDENDS AND THE METLIFE PORTFOLIO*

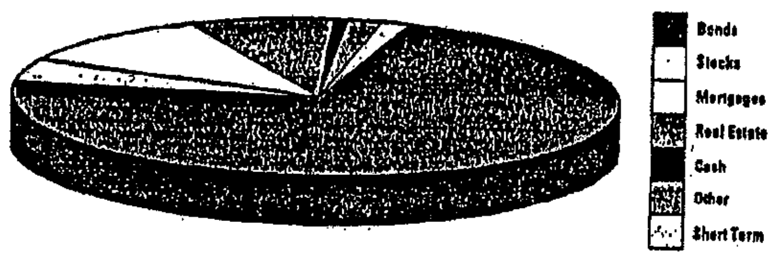
MetLife®

A particular component of dividends can have a significant impact on their overall performance, as is the case with the interest income portion of the "dividend pie." It is the investments in the MetLife portfolio that help determine the dividend interest rate. This rate is actually the combined result of all the rates of return for all investments (bonds, stocks, etc.) in the portfolio.

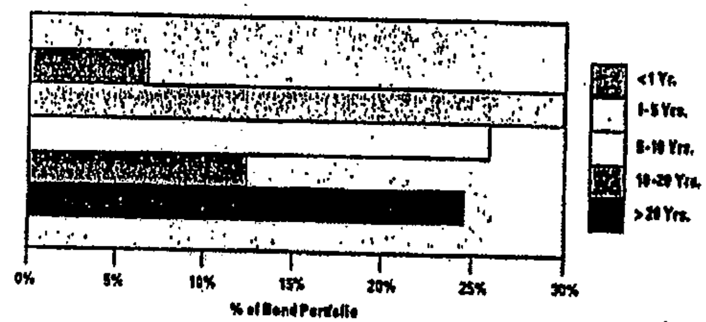
The MetLife portfolio is comprised of a mix of investment vehicles, with the largest portion of funds invested in bonds with medium- to long-term maturities.

METLIFE'S PORTFOLIO

65% of MetLife's portfolio is comprised of Bonds, 98.1% of which are investment grade.*



...with medium- to long-term maturities.



* As of 12/31/95

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DIVIDENDS — A LONG-TERM VIEW

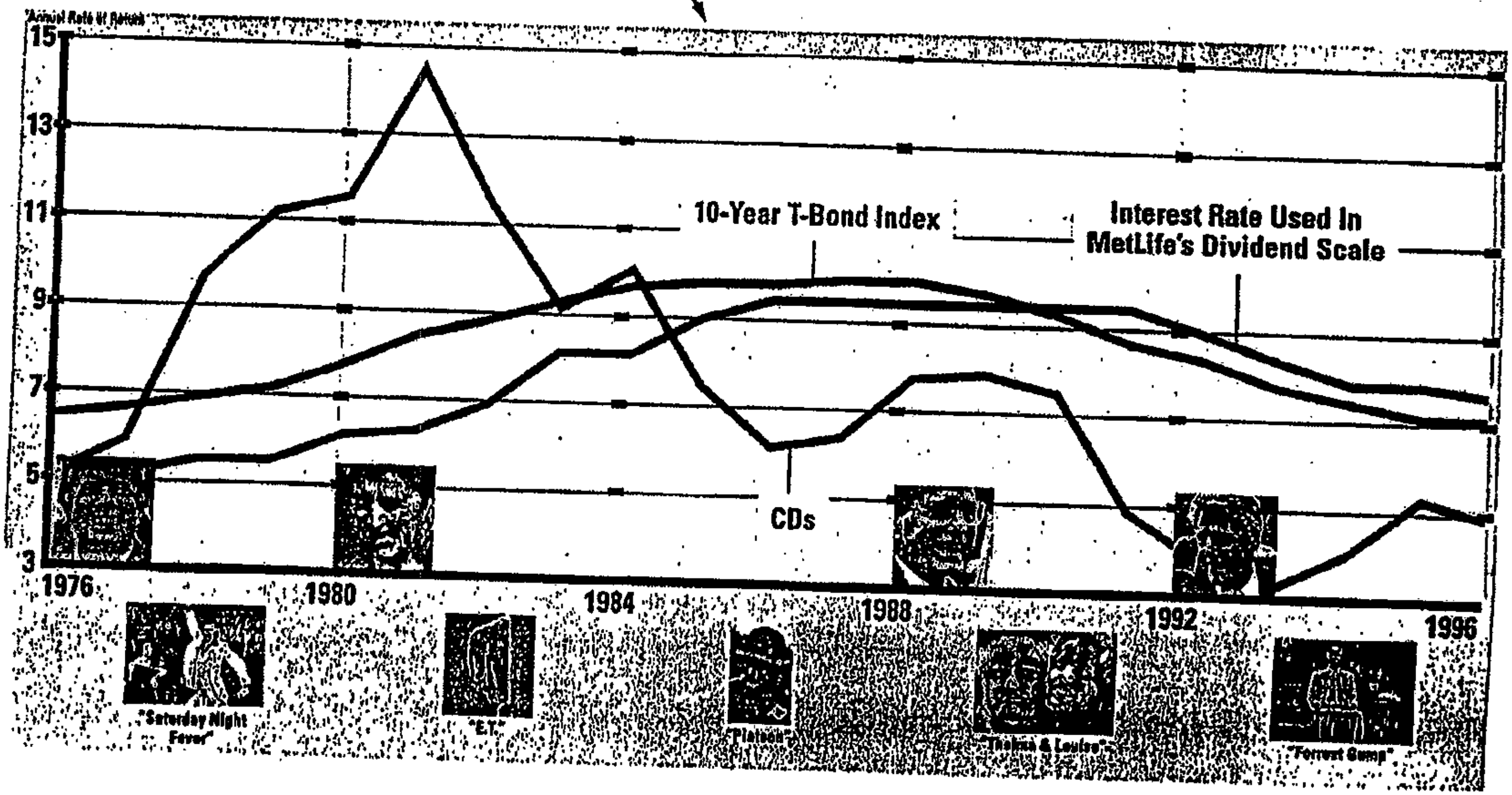
MetLife

Interest rates were at double digit levels in the late 70s and early 80s. However, rates began to decline sharply by the mid-80s. Because of the longer-term maturities in our portfolio, we were able to weather these declines and did not have to lower our dividend scales until 1992.

This is because as market rates fell ↓ older investments in the portfolio continued to earn higher rates and therefore helped keep the overall dividend interest rate above current rates for a time.

Conversely, if market rates were to ↑ rise, the dividend interest rate might not increase for several years as older investments in the portfolio still earn lower rates.

This is also why interest rates in the economy in a given year do not have a one-to-one correlation with dividend interest rates.



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PAYMENT OPTIONS

MetLife®

- PAY NONE
- PAY SOME

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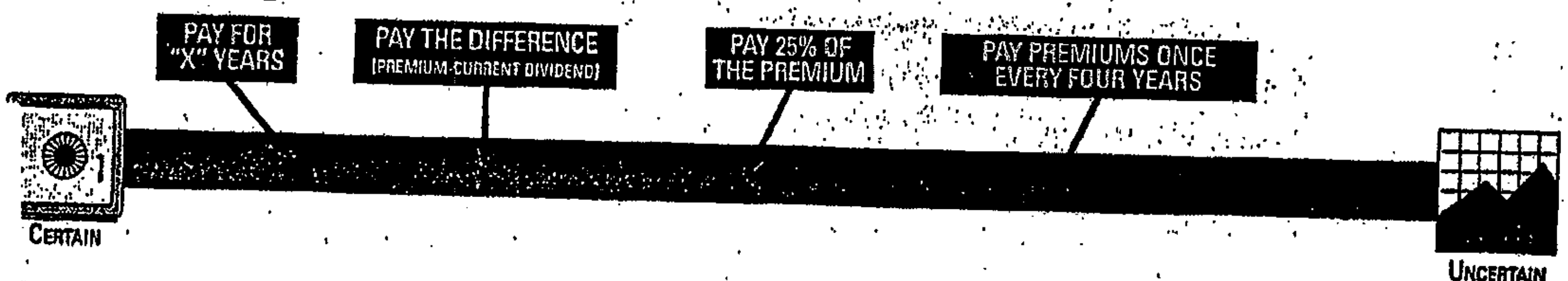
PAYMENT OPTIONS

MetLife®

You have a variety of options to help ensure your policy's benefits and guarantees will remain in place. As you examine your payment options, you also need to carefully consider what the right choice is for you.

PAY NONE

PAY SOME



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PAY NONE—NO OUT-OF-POCKET OUTLAY REQUIRED

MetLife®

Reduce the Face Amount

The Face Amount of your policy is permanently reduced under this option to ensure you do not have to make further out-of-pocket payments.

PROS

- Cash outlay is eliminated. Regardless of interest rates and other capital market fluctuations, we will never require you to make further out-of-pocket premium cash outlays.

CONS

- The Death Benefit is reduced and, once reduced, cannot be reinstated.
- The cash value of your policy will not grow as fast as a premium paying policy, and could eventually decrease to zero.

Wait and See

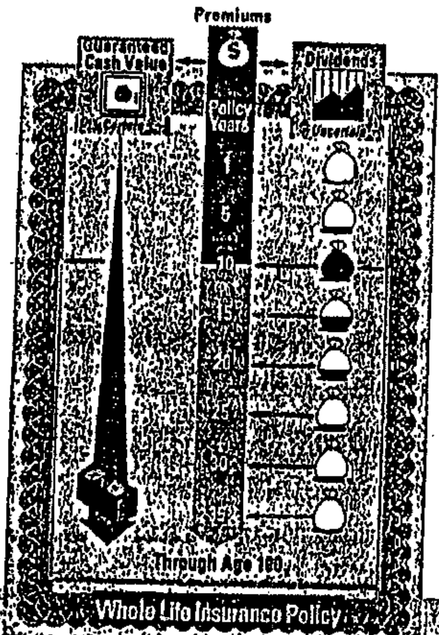
Depending on your policy, you may have some time to monitor the situation and then determine whether to begin making full or partial out-of-pocket payments if this becomes necessary.

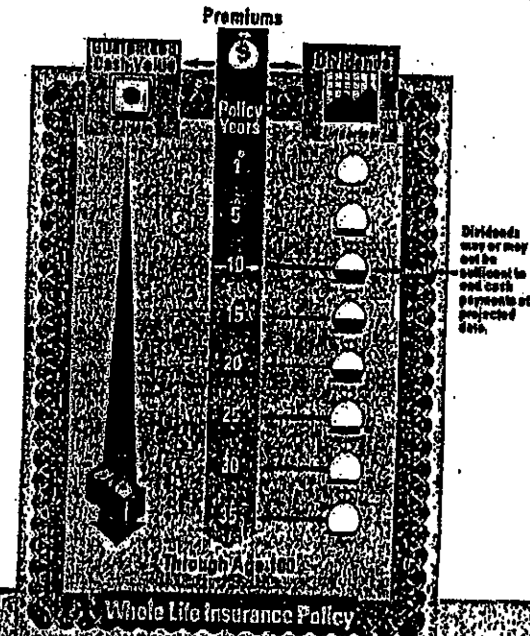
PROS

- The capital markets could change over the next several years, so that future out-of-pocket premium cash outlays won't be needed.

CONS

- You are likely to have to pay more out-of-pocket if you wait.





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PAY SOME—OUT-OF-POCKET OUTLAY REQUIRED

MetLife®

Pay Some Additional Premiums

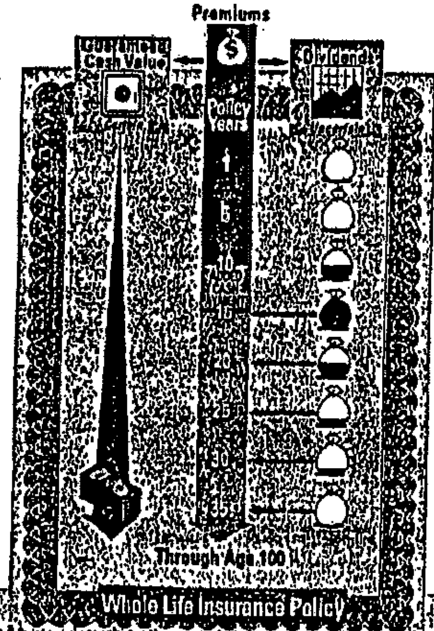
Under this option, you pay the full premium out-of-pocket for one or more years, and a new Accelerated Payment date is calculated.

PROS

- Maintains original Death Benefit.
- Requires some current cash outlay but is less costly over the long term.

CONS

- Cash outlay required now.
- There may be a need to revisit these options in the future.



Pay the Difference

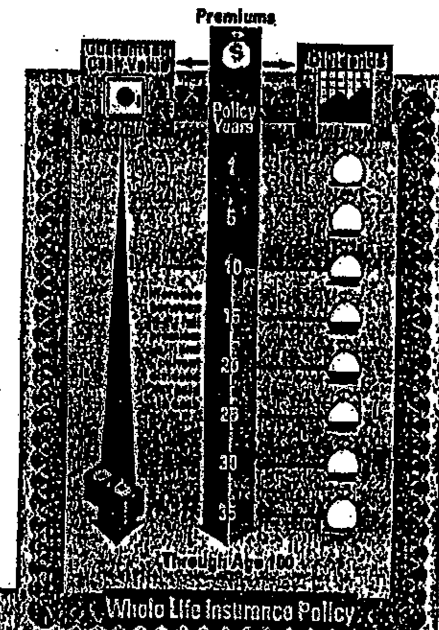
Your cash outlay under this option would be the difference between the full premium and the current dividend.

PROS

- Maintains original Death Benefit.
- Less current out-of-pocket than full premium.

CONS

- Cash outlay required now.
- You are likely to pay more out-of-pocket than if you pay the full premium.



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PAY SOME—OUT-OF-POCKET OUTLAY REQUIRED

MetLife®

Pay A Percentage Of Your Premium

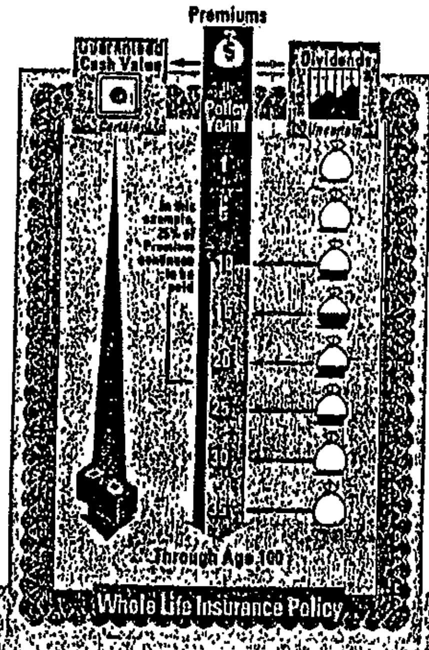
You'll make ongoing cash outlays, but at only a specified percentage of the actual full premium due at the time you elect this option.

PROS

- Maintains original Death Benefit.
- Less current out-of-pocket than full premium.

CONS

- Cash outlay required now.
- You are likely to pay more out-of-pocket than if you pay the full premium.



Pay Every 4 Years

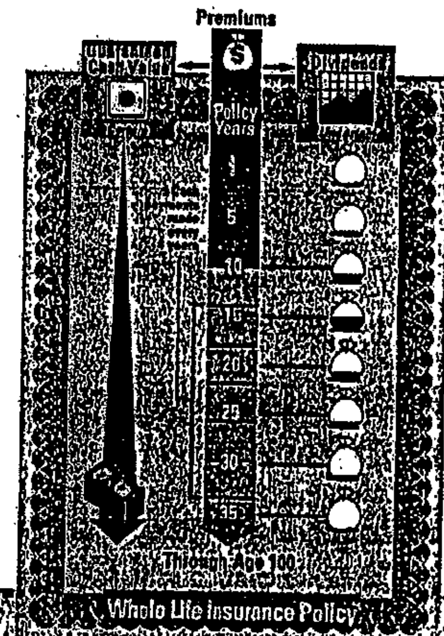
You'll pay the full premium under this option, but only every fourth year.

PROS

- Maintains original Death Benefit.
- Less overall out-of-pocket than full premium each year.

CONS

- Cash outlay required now.
- You are likely to pay more total out-of-pocket than if you pay the full premium each year.



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YOUR METLIFE POLICY AND THE ACCELERATED PAYMENT ARRANGEMENT

MetLife

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UNDERSTANDING YOUR POLICY— AND YOUR OPTIONS.

When you purchased your whole life policy from MetLife, you took steps necessary to provide valuable protection for you and your family. You chose the only type of insurance that provides you with guaranteed protection and benefits no matter how long you live.

That protection will be there throughout your life, as long as you need it, if you continue to pay premiums. *You'll also be assured that:*

- *Your premium will never increase*
- *Your death benefit will be in effect when you die*
- *Your policy's cash values will be maintained and will grow.*

THERE ARE BASICALLY TWO WAYS TO PAY YOUR WHOLE LIFE PREMIUMS:

Cash: Making out-of-pocket payments of the guaranteed annual premium.

The Accelerated Payment Arrangement: Using a combination of your current and accumulated dividends to pay future annual premiums after you have paid premiums out-of-pocket for a number of years.

It is important for you to understand the impact that your Accelerated Payment Arrangement has on the insurance protection and cash value provided by your policy. This guide is designed to give you some of the information needed to make the right decision regarding your policy. It contains a series of questions and answers on topics relevant to your policy and information on the options you have to keep it in place.

Q. Can you review how the Accelerated Payment Arrangement Works?

A. To be eligible to elect the Accelerated Payment Arrangement, you have to pay your premiums out-of-pocket for a number of years. You also have to elect a dividend option that applies the dividends to your policy. This is usually the Additional Paid-Up Insurance dividend option.

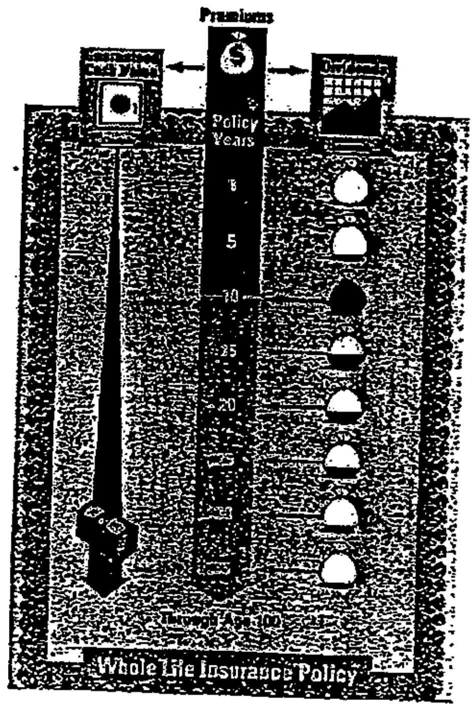
When the current dividend balance, together with all future dividends, is illustrated to be sufficient to pay all future premiums (based on the current dividend scale), you can elect to pay premiums through the Accelerated Payment Arrangement.

This method of paying premiums does not automatically mean the policy is now paid for. It also does not reduce the number of years premiums must be paid. It simply allows you to pay your premiums automatically using the policy's dividends (as long as the dividend balance is sufficient) instead of paying them out-of-pocket.

Q. What affects my Accelerated Payment Arrangement?

A. A number of things can impact this Arrangement. First, it is important to understand that the Accelerated Payment Arrangement is completely dependent on dividends, which are not guaranteed. The Accelerated Payment Arrangement illustration you originally received was based on future performance. Increases and decreases in dividends from those originally illustrated will impact the actual year in which out-of-pocket premium outlays can stop and the Accelerated Payment Arrangement can take over.

In this example, the policy was originally illustrated as having sufficient dividends to end out-of-pocket payments in year 10.



Any increase in dividends may allow you to elect the Accelerated Payment Arrangement sooner than originally anticipated. On the other hand, a decrease in dividends could require you to make more out-of-pocket payments than expected. That could result in your having to pay a portion of some premium payments in cash or even resume full premium payments after the Accelerated Payment Arrangement has started.

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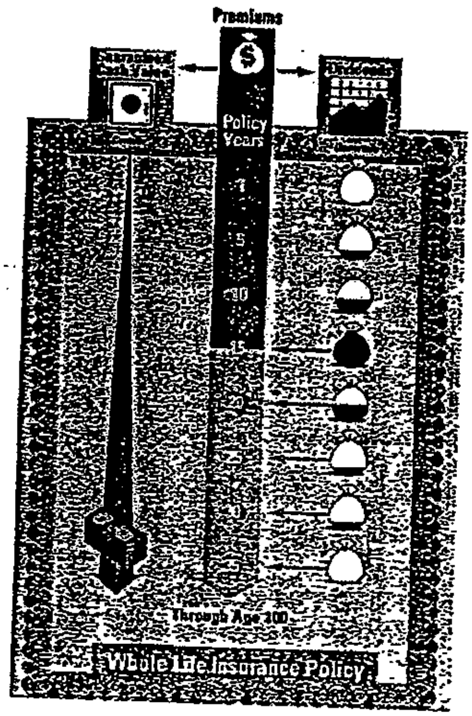
If actual dividends for the policy are lower than expected, out-of-pocket premiums will have to be paid longer, as in the following example where payments extend to year 15.



Q. Since dividends have such an impact on my Accelerated Payment Arrangement, can you tell me more about how they work?

A. Your whole life policy is what is called *a participating policy*. One of its important features is that it can generate dividends. Unlike the premium, death benefit and cash values of your policy, *dividends are not guaranteed*. The dividend we pay each year is based on the following formula:

Premiums + Investment Income - Expenses - Mortality = Dividends

Premiums: The new money we receive which is used to provide benefits and which we use to invest.

Investment Income: Our investment earnings, which depend upon interest rates and other changes in financial markets. It is a weighted average of our rates of return on our investment portfolio from interest, dividends and capital gains.

Expenses: Our cost of doing business, including operating expenses and the taxes we pay.

Mortality: The amount of death claims we pay each year and reserves for future claims.

It is the net effect of these dividend components that determines if overall dividends will increase, decrease or stay the same during the following year. For example, even if the expenses and mortality are both favorable, a significant decrease in the investment component, such as one resulting from a decrease in interest rates, could have the net effect of a dividend reduction.

Q. What kind of an impact have interest rates had on MetLife's dividends?

A. Interest rate trends have had a considerable effect on MetLife's dividends in the last few years. That effect is not much different from what individual investors and the economy in general have experienced.

As you know, interest rates were at double-digit levels in the 1970's and early 1980's. However, rates began to decline sharply by the mid-1980's.

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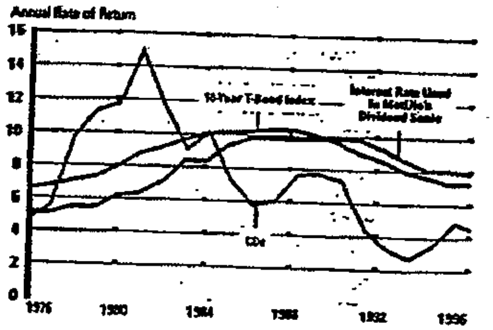
MetLife's philosophy, and our legal obligation, is to protect the long-term interests of our policyholders. Therefore, much of our portfolio is invested in longer-term maturities which have enabled us to weather these declines for a number of years. Although MetLife's dividends have decreased somewhat in the past few years, the investment results reflected in our dividend scales have shown a solid return over time as compared to a number of investment and capital market indices, such as those shown on the chart below. Because of that return, MetLife did not have to lower dividend rates until 1992.



Q. Have other companies lowered their dividends?

A. Yes. Trends in interest rates have had an impact on individuals and companies, including most life insurers. As a result, many have made changes in their dividend scales over the last few years. In addition to the negative impact from the investment portion of dividends, taxes have also had an effect. The Deferred Acquisition Cost (DAC) Proxy Tax, which began in 1992, represents a considerable federal income tax liability which the entire insurance industry has shared. The combined effect has forced many life insurers to reduce their actual dividend interest scales. This has had an impact on their policies which rely on dividends for their illustrative values.

Q. If interest rates start to increase, would dividends increase also?

A. They could, but probably not immediately. Interest rates in the economy in a given year do not have a one-to-one correlation with the interest component of dividends in that same year. This is because as market rates rise, the dividend interest rate may not increase for a period of time as older investments in the portfolio still earn lower rates.

Conversely, as market rates fall, older investments in the portfolio will continue to earn higher rates until they mature. Therefore, the overall dividend interest rate will remain above current rates for a time.

Q. Where are MetLife's investments?

A. MetLife's portfolio is comprised of a mix of investment vehicles and other assets. A major part of our portfolio (65%) consists of bonds* with medium- to long-term maturities. Of those bonds, 98.1% are investment grade (of the highest quality).

The performance of these investments determines the portfolio rate which is actually the combined effect of the rates of return for each investment (so it is not the same as a money market or CD rate). For example, if you purchased a 10-year bond in the same amount each year for 10 years, each bond would still have its own interest rate (the "new money" rate) but the overall rate your entire portfolio of bonds would earn is the average of all the bonds in that portfolio.

*As of 12/31/95

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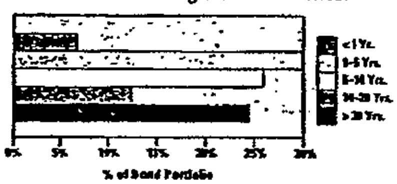
As we've stated, our investment philosophy is to protect the long-term interests of our policyholders. The mix in our portfolio reflects that philosophy while minimizing the amount of risk that we take to obtain favorable results.

*65% of MetLife's portfolio is comprised of bonds, 98.1% of which are investment grade**

...with medium- to long-term maturities.



Q. What are my options when it comes to keeping my policy in place?

A. You have a number of options that will help ensure that your policy's benefits and guarantees will remain intact. It's important that you understand each option and how it can effect your policy. Just as you based the purchase of your whole life policy on your needs, you must evaluate these options carefully and select the one that is right for you.

You have at least six options to consider that fall into two basic categories. You can either not pay any additional premium now, or choose to make some payments. Your options are:

PAY NONE

- *Reduce the Face Amount of Your Policy*
- *Do Nothing Right Now—Wait and See*

PAY SOME

- *Pay the Full Premium for a Specified Additional Number of Years*
- *Pay the Difference Between the Full Premium and the Current Dividend*
- *Pay A Percentage of Your Premium*
- *Pay The Full Premium Once Every Four Years*

The following chart details each of these options and the pros and cons associated with each.

PAY NONE

Reduce the Face Amount

Pros: Cash outlay is eliminated. Regardless of interest rates and other capital market fluctuations, we will never require you to make further out-of-pocket premium cash outlays.

Cons:

- The death benefit is reduced and, once reduced, cannot be reinstated.
- The cash value of your policy will not grow as fast as a premium paying policy, and could eventually decrease to zero.

Wait and See

Pros: The capital markets could change over the next several years so that future out-of-pocket premium cash outlays won't be needed.

Cons: You are likely to eventually pay more out-of-pocket if you wait.

PAY SOME

Pay Some Additional Premiums

Pros:

- Maintains the original death benefit.
- Requires some current cash outlay but is less costly over the long term.

(Chart continued on next page)

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PAY SOME, CONTINUED

Cons:
- Requires cash outlay now.
- There may be a need to revisit these options in the future.

Pay the Difference

Pros:
- Maintains the original death benefit.
- Smaller current out-of-pocket outlay than full premium.

Cons:
- Requires cash outlay now.
- You are likely to pay more out-of-pocket than if you pay the full premium.

Pay A Percentage of Your Premium

Pros:
- Maintains the original death benefit.
- Smaller current out-of-pocket outlay than full premium.

Cons:
- Requires cash outlay now.
- You are likely to pay more out-of-pocket than if you pay the full premium.

Pay Every Four Years

Pros:
- Maintains the original death benefit.
- Less current out-of-pocket.

Cons:
- Requires cash outlay now.
- You are likely to pay more total out-of-pocket than if you pay the full premium each year.

Q. Which option would allow me to pay premiums for the same number of years as I had originally planned?

A. It depends on your policy. You may have sufficient time to see if there is a significant enough change over the next few years to eliminate the need for additional out-of-pocket payments. However, keep in mind that a rise in interest rates may not necessarily result in an increase, or even a continuance, of dividends. As a result, you may still ultimately need to select one of the "Pay Some" options.

You can also opt to reduce your face amount. Under this option, your cash outlay will be eliminated. Regardless of interest rates and other capital market fluctuations, MetLife will never require you to make further out-of-pocket premium payments.

Q. If I elect to "Pay Some" now, how long will I need to make payments?

A. With two of the "Pay Some" options, you will have additional cash outlays for a limited time. In turn you will receive a newly-calculated date, based on the current dividend scale, upon which your Accelerated Payment Arrangement takes over. This pertains to both the "Pay Some Additional Premiums" and the "Pay the Difference" options.

For the other two "Pay Some" options, you will make payments throughout the life of the policy. If you decide to "Pay A Percentage of Your Premium," you will continue to make payments for the life of the policy. However, the payments will be at a specified percentage of the current premium based on your policy. If the dividend rate decreases in the future, you may need to pay a higher percentage than originally projected in order to maintain the guarantees and benefits your policy provides.

"Pay Every Four Years" requires a full premium payment once every four years.

None of the "Pay Some" options is guaranteed.

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Q. How do I know which option is right for me?

A. Your decision about which option to choose depends on what's right for you! Each option entails different degrees of risk. You need to determine if you are comfortable waiting to see if conditions change, or if you can or want to make payments now and how much.

You bought your policy because of specific needs and for the guaranteed protection it provides for you and your family. But the only way to ensure that protection is to maintain premiums without interruption. This will maximize your policy's insurance protection and cash value.

Your choice was most likely also based on your current personal and financial situation and what you anticipated for the future. Choosing one of these options is, in a way, a chance to reevaluate what you need now, and may need down the road.

Q. Should I be worried about my policy or MetLife?

A. Both your policy and MetLife will continue to provide the protection you need.

As a mutual company, MetLife is able to share favorable performance with policyholders in the form of dividends, which it has done continuously on its new and in force policies since it became a mutual company in the early 1900's.

The overall strength and stability of the company is at the center of any decisions made regarding dividends. Our earnings must be sufficient to maintain capital for long-term solvency and future growth. Changes in our dividend scale are normal and are intended to ensure that the necessary capital is provided regardless of performance experienced by different policies. *Our future is assured through our strengths:*

- A strong capital base of assets over liabilities
- Diversity of investments to limit risk
- Sufficient liquidity of assets
- Growth of both capital and surplus.

The way for you to assure the future of your policy is to carefully review the options we have outlined here and decide which is right for you. Choosing an option that ensures your premiums keep getting paid will mean that your policy will be there when you need it to provide the guaranteed death benefit and cash values you intended.

You can also rest assured that the company behind your policy will continue to provide protection, just as it has since it became a mutual company in 1915.

To discuss these options or if you have additional questions, speak with your MetLife account representative, or call 1-800-MET-LIFE.

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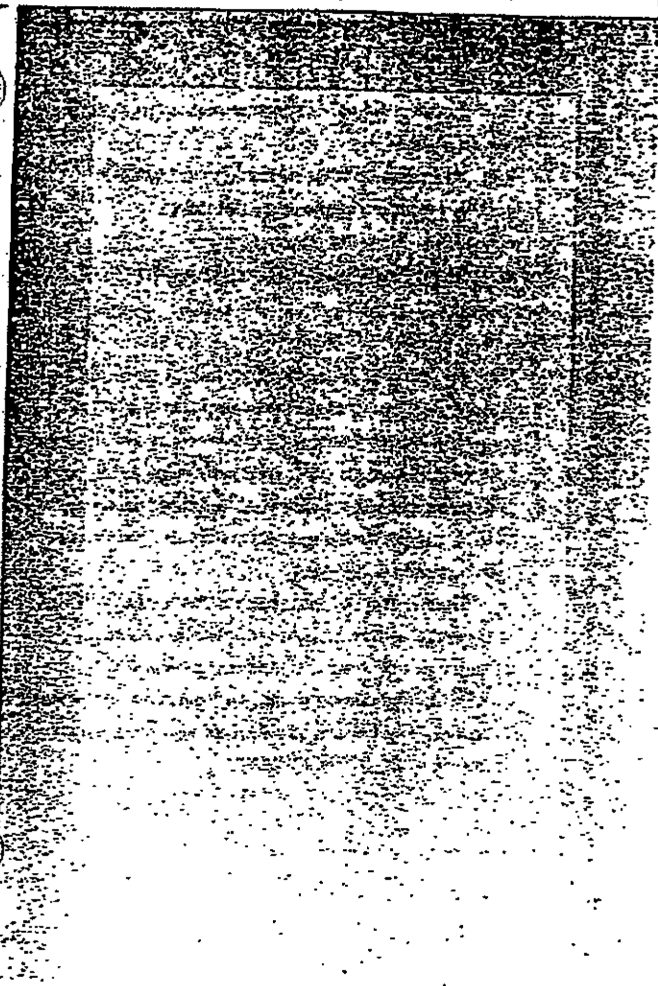

MetLife

Metropolitan Life Insurance Company
New York, New York

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Calling the BOMB SQUAD

by Sean Armstrong

"Hi, Bob. Do you remember that life insurance policy I sold you in 1984? Yeah, back when Bobby Jr. was in little league. Anyway, you know how I said you'd be able to stop paying premiums in 10 years. Well, it's going to be a little longer than that. Ah—actually, quite a bit longer. Could be as much as 10 years. Oh, by the way, did Bobby's baseball scholarship come through?"

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[illegible] Thomas Tew, [illegible] spearheaded the [illegible] market conduct [illegible]

It's a financial adviser's nightmare: You felt comfortable projecting a 10-year vanish on your client's whole life policy when you sold it. It all made sense. You'd heard the mantra a hundred times, "This company has not lowered its dividends in 50 years." Well, times have changed drastically, and if you're an agent or a company executive and you have clients who bought life insurance thinking their premiums were going to go away, you may be sitting on a time bomb.

Forget about NAIC regulations and "plain English" illustrations. The real problem is potentially more damaging. Although one company is going to spend $10 million to contact policyholders throughout the country, the industry has failed to alert thousands of other customers who can't hear the time bomb ticking. It's impossible to tell how many cases there are, but the wide popularity of the vanishing premium concept in the mid-to late-1980s, coupled with the fact that the typical vanish period was between seven and 10 years, paints a disturbing picture. Today, that same premium is unlikely to "vanish" before the 12th and, sometimes, the 18th year or longer.

Unfortunately, what began as a simple and understandable concept in the marketing department of now-defunct Executive Life Insurance Co., Los Angeles, mutated in the heat of competition. Then technology set the monster loose. Able to generate illustrations from their personal computers, agents caught ledger fever. What started as agent abuse became part of built-in policy mechanics. It got to the point where agents could be misleading even if they were going by the book. "I don't think companies paid much attention to this as a big lie," says Roger Heath, a principal at Towers Perrin's insurance general management consulting practice, Dallas.

The high inflation of the 1970s began to ebb toward the end of the decade. Interest rates peaked in 1982 and began declining steadily. Because of a lag effect on company investment returns, it took agents and companies several years to digest the fact that rates would no longer continue their steady uphill climb. "We were all kind of in a period of blissful unawareness," says Richard Weber, chairman of the American Society of CLU & ChFC's life insurance illustration questionnaire task force. "And everyone's shocked when, in 1987, Northwestern Mutual lowers its dividend scale. In 1988, a few more companies lowered their dividends. Everyone was in shock."

As with other interest-sensitive products, a small adjustment in an interest rate will amplify over time, resulting in an enormous difference between reality and expectations. It's the derivatives debacle on a personal scale. But many agents reacted to the news by ignoring the problem, according to Weber. Many, according to Heath, simply went on plugging the same high interest rates into their illustrations.

When they began to get a grasp of the problem, agents were confused and anxious. "I think that troubled a lot of us. The idea of going back to clients and having to say 'remember that illustration we looked at? Well it didn't work out,'" says Weber. Ideally, agents would have clearly explained that an illustration was not a guarantee. However, perhaps out of ignorance, or to keep the sales pitch simple, agents misle[d] their clients. "Now we'v[e] got to go back and sa[y] those things," says Webe[r] "and it's embarrassin[g] and we're concerne[d] about getting blamed an[d] concerned about lettin[g] down clients."

Thomas Wolfe, a w[ell-]known agent and autho[r] echoed these concerns [in] a speech delivered at t[he] American Society of CL[U] & ChFC's annual mee[t]ing in October. He sa[ys] there is a huge amount [of] life insurance, sold usi[ng] the vanishing premiu[m] concept, that's just wa[it]ing to blow up. Comp[a]nies most at risk are the[se] that aggressively push[ed] the vanishing premiu[m] concept in their sales [ef]forts. Wolfe says agents la[ck] support from carriers in t[he] effort to contact unwitti[ng] policyholders. Many carri[ers] have directed their agents [to] conduct in-force reviews, b[ut] most have not made it mandatory.

Weber says the only compa[ny] that's developed a program to that [ef]fect is Manulife Financial of Toron[to]. According to John Barr, in-force ma[n]agement director, Manulife plans [to] have its agents and representati[ves] visit each of its 35,000 policyho[ld]ers in the United States by Decem[ber] 1995. The goal of the project, with [an] estimated price tag of $10 million, is [to] explain the effect of lower interest ra[tes] on each customer's policy. "We kn[ow] the majority of the policies were s[old] on a vanish basis," Barr says. "In m[any] cases, we do have some original ill[us]trations on them. We plan to u[se] them and go from there."

Even at Manulife, the effort is j[ust] beginning. "There's a lot of busin[ess] out there where the client hasn't be[en] contacted yet," says Weber. Deliver[ing] the news is not going to be ea[sy]. Agents have to prepare themsel[ves] psychologically for a hostile situati[on]. "There is going to be anger," he sa[ys]. But the reality is: If agents or compa[ny] representatives don't make the ca[ll,] no matter how ugly the conversat[ion] may turn out to be—they may soon [be] hearing from angry customers, [or] worse yet, their lawyers.

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Attorney Thomas Tew of Tew & cia-Pedrosa, who masterminded a massive lawsuit against Metropolitan Life Insurance Co., New York, and its agents, costing the company more than $20 million in fines, says the environment has changed. A recent case illustrates the threat. In October, an Alabama state judge upheld a jury award of $25.4 million against Prudential from a couple who claimed they were defrauded by the company and one of its former agents. In the suit, the plaintiffs, Leslie and Rebecca Gallant of Eufala, alleged that agent Charlie Whatley told them their policy would be paid up in 10 years. They later found out that payments would be due for the rest of their lives. After the MetLife case, Tew says he's been getting a lot of phone calls, the majority of which are from companies seeking to insulate themselves from similar lawsuits.

When companies turn to their nemesis for advice, it's a good indication they're scared. Of course, all company approved illustrations include otnotes explaining that they are sed on many non-guaranteed performance variables and that, technically, a premium will be due as long as the policyholder lives. "The courts are not looking so much to the contract," says Weber. "They're saying, 'What was the substance of what was communicated to this client, not only in the contract but in the illustration.'"

Because of the agents' autonomy in the sales process, companies have no way of knowing how the product was presented. The safest sales pitch would point out that illustrations are not predictions of future performance, Weber says. Rather they are meant to show a policyholder how his pattern of premium payments and the carrier's future experience might teract. Weber demonstrates the dangerous approach: "There are eight premiums here and don't worry about all that footnote stuff. This company has never decreased its dividend scale. I can tell you, what's in my illustration is conservative. It's not aggressive." In response to the dangerous example, Weber says, "I think you've got yourself a lawsuit there."

Despite the growing risk of legal action, the typical insurance company, according to Heath, is not giving this problem the attention it should. Now that time has elapsed, Heath says he's starting to see big lawsuits like the one in Alabama. He says he gets one or two calls a month from consumer plaintiffs looking for advice. He also gets one or two calls a month from insurance companies asking for litigation support.

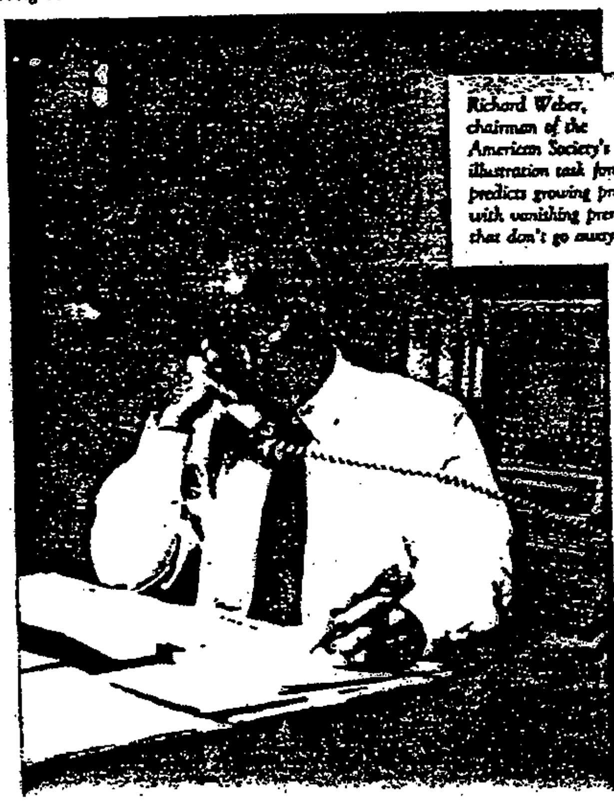
ALERTING POLICYHOLDERS

Some companies still don't know there's a problem, according to Heath. Customers are unaware that if they have stopped paying premiums in accordance with the illustrated plan, the policy may be headed toward a lapse. It's a slow process that won't show up on in-force statements. They may not know there's a problem until they get a termination notice in the mail. A lot depends on how a company's service department works, according to Heath. But the situation may be out of control. "Insurance companies have let attorneys who are rabble rousing create expectations for large punitive damages," he says.

According to Tew, there has been no major change in the underlying liability inherent in illustrations. What's changed, he says, is an awareness among policyholders that certain illustrations may be suspect and that they may have been exploited by an unscrupulous agent. "There is a growing consumer awareness that they ought to be a little more skeptical," he says. "The premium isn't vanishing. The policy is cannibalizing itself."

Tew says new attention to compliance within companies and the government is being driven by lawsuits. "Do you think we would have this reform if there weren't lawsuits like this? I don't think so." He foresees more cases like the Gallants'. He says companies are handicapped by tension between management and company marketing departments. "No one wants to tell marketing the bad news," he says. And it is bad news for salespeople. As in MetLife's case, a sweeping overhaul of compliance procedures and sales practices can severely curtail sales. Tew says sometimes the only person who can deliver that news is an outsider.

Policyholders are equally in the dark. The annual statement they get from their insurance companies showing cash values and dividends doesn't tell policyholders what they need to know. Many people who bought insurance in the mid-80s with the expectation that they would pay eight or 10 premiums have no way of knowing that number has probably gone up to between 12 and 18 premium payments, according to Weber. "The customer gets the premium notice, and they say, 'Wait a minute, I wasn't supposed to pay this,' and they call the company and they call the agent," says Weber. "And, of course, the company has no idea what the custom-



Richard Weber, chairman of the American Society's illustration task force, predicts growing problems with vanishing premiums that don't go away.

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MetLife

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Marketing Communications
MetLife Individual Sales

Re Accelerated Payment (AP) Arrangement Customer Communications

To The Field Force

Effective, timely communication is an important component of customer service. The AP Natural Work Team, representing key business units within the Individual Life Insurance and MetLife Individual Sales organizations, has made communicating how the AP arrangement works to our policyholders on a proactive basis one of its primary goals.

As part of an ongoing, multi-level customer communications strategy developed by the work team, a series of customer letters was created in March to automatically update policyholders about any change in the status of their AP arrangements or to inform them when their policies become eligible for this arrangement. These letters are being mailed to AP policyholders as circumstances warrant.

On December 28, new policyholder correspondence will be available to cover additional situations that may affect the AP arrangement. The first set of letters, AP-1A through AP-1F, will let the policyholder know that as a result of certain actions, such as a policy withdrawal or failure to pay loan interest, there will not be a sufficient amount of accumulated dividends to pay the premiums via AP for the life of the policy. The letters will pinpoint the specific policy anniversary year -- based on our current dividend scale -- when the dividend balance will become insufficient.

The second set of letters, AP-2A through AP-2F, are more urgent in nature. These letters inform the policyholder that as a result of his or her recent policy transaction, there are no longer enough accumulated dividends to pay the policy's next premium using the AP arrangement. As a result, the policyholder must resume making out-of-pocket premium payments.

Both sets of letters have been installed on the Daily Reports System in Scranton and will be sent to policyholders

(See Reverse Side)

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on an as-needed basis. You will not receive copies of these letters as they are sent to your clients, but you will be notified via the Accelerated Payment Arrangement Report on SONIC.

A copy of the AP Arrangement Report can be obtained by having a sales support associate access the Administrative Transactions Menu, 03 Print Reports Selection Menu, and key in selection 14, Accelerated Payment Arrangement Report.

This report will also automatically print for the entire office through normal print manager facilities, and correspondence activity will be reported on separate pages for each Field Representative Number.

Attached are copies of each of these new customer letters. Each letter has an alpha-numeric code in the bottom right-hand corner that corresponds to its identification on the AP Arrangement Report. A sample of how the letters will be listed on the AP Arrangement Report is also attached.

Watch for additional announcements concerning future enhancements and activities planned by the AP Natural Work Team.

If you have any questions regarding this new policyholder correspondence or the AP arrangement, please contact Alan Kandel, Product Manager, Life Product Planning, Individual Life Insurance, in the Bridgewater office at (908) 253-1240 or Roberta Steve, Manager, Customer Communications and Inforce Marketing Programs, Marketing Communications, MetLife Individual Sales, in the Bridgewater office at (908) 253-1122.

December 28, 1995

Attachments

MP40110O869

AP Arrangement Report

Version	Description
1A	LOAN-AP TIL 2000
1B	LOAN-AP TIL 2000
1C	LOAN-AP TIL 2000
1D	LN-CAP/AP TIL 00
1E	DV WTH-AP TIL 00
1F	PUAR WTH-AP 2000
2A	LOAN-AP INSUFF
2B	LOAN-AP INSUFF
2C	LOAN-AP INSUFF
2D	LN/CAP/AP INSUFF
2E	DV WTH-AP INSUFF
2F	PUAR WTH-AP INSF

Note:

Six of the above SONIC messages show a "year" in their one-list description which refers directly to information in the policyholder letter. These letters have been sent to policyholders to inform them that, based on the current dividend scale, it is anticipated that the AP arrangement will continue paying annual premiums until the policy anniversary in the year shown. At that time, the policyholder may have to begin making out-of-pocket premium payments again.

In the examples shown above for AP letters 1A, 1B, 1C and 1F, that year is "2000." The SONIC Report descriptions for these particular AP letters will always show the four-digit year -- for example, 1995, 1998, 2000, 2001.

In the examples shown above for AP letters 1D and 1E, the year "2000" is shown as "00." Due to space restrictions, the descriptions for these letters will indicate the year by the last two digits -- "95 for "1995," "98" for "1998," "01" for "2001," and so on.

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MP401070870

er is talking about." Weber cites one case where a customer found out he would have to pay 32 annual premiums, when the illustrated projection was nine. The problem, warns Weber, is huge. "There isn't a single illustration that was based on current assumptions in 1985 through 1989 that is going to come true."

Not sure who's to blame, companies haven't decided whether they or their agents should be breaking the bad news. In many cases, they realize that they need the agents' cooperation. Agents have information the carrier doesn't. They know how the sales pitch was made. "So I think there's a turf disagreement as to who should be doing what," says Weber. Agents claim they are not getting enough support from the companies. But the carriers might not think they're getting the cooperation they need from agents. Or the information may simply not be there: With agents leaving the business all the time, there are a lot of orphan policyholders who may not know their coverage is about to vanish.

CREATING POSITIVE SPIN

There is a way to put a positive spin on this difficult situation. Weber cites one agent who handled it this way: "Five years ago," he said to the client, "we identified the estate liquidity need, and you were delighted to be able to solve that problem for 20 cents on the dollar. There was no other product or investment you could make that could solve your problem so inexpensively. Now I'm coming back to you today, and it's going to cost you 30 cents on the dollar. It's still a good deal. There still isn't anything that comes close to doing what you need it to do when you need to do it for as low a price, even though that price tag has gone up substantially."

Beyond dumping more money into the contract, reactivating a vanished premium or reducing face amounts, Manulife policyholders may opt for underwriting-free conversions to certain term or variable life products. Of course, conversion to term involves using the cash value in a permanent policy to pay premiums for a non-permanent one. With the variable option, policyholders—by taking on the policy's investment risk—may be able to achieve the originally projected performance.

Weber has conducted focus groups with dozens of policyholders who owned substantial amounts of life insurance. In a mock-up of a communication to policyholders, researchers explained that the amount of premiums they had expected to pay was now gr ing to increase substantially. "The rea tions we got from them," he says, "we a valuable learning experience. Th first lesson: A customer is never ha py about bad news. But they are muc more accepting of it when it com from the person wh sold them the pc icy." The other e treme, according Weber, is that th are angriest wh bad news com from an imperso al letter from sor president who name is scrawl by a machine a the bottom of t page. "That w important for us l cause we we about to do a m campaign, and wl that told us was no, it's got to be fa to-face contact," he says.

"There isn't a single illustration that was based on current assumptions in 1985 through 1989 that is going to come true."

The other lesson was that custo ers want to hear the bad news as so as the agent knows it. And they wa to know specifically how it affe them. The agent has to go to the clie explain the impact and then help t client determine whether the origi needs still exist. There is a reason w that may not still exist: That client n have bought a lot of insurance with anticipation of a lot of inflation, wh would increase the value of their est along with their future tax liability. flation didn't continue, it's not the Maybe they don't need so much ins ance any longer," says Weber. Perh that client's solution is to reduce number of premium payments to th original number by decreasing death benefit. "This may not be propriate for everyone, but we certai have seen it," says Weber.

The end result, according to Wel is a new way of looking at life ins ance. Trying to teach agents and br ers that a life insurance policy is sin ly another asset that has to be manag When I came into the business in 19 it was still true that when you bou life insurance, you bought it, you sig the paperwork and you put it in a place, and you never looked at it ag You can't do that anymore. Too m has happened in the last 15 ye Agents vanish, companies vanish, premium does not vanish."

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MP40110708?1

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1-800-MET-5000
(1-800-638-5000)
OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 013 456 789 MS (Policy Number) JOHN Q POLOWNER (Name of Insured)

Dear Policyowner

We are writing to let you know how your recent loan, which included borrowing against your dividend balance, affects the Accelerated Payment (AP) arrangement.

Based on our current dividend scale, it is anticipated that the AP arrangement will only continue paying the annual premiums until your policy anniversary in 2000. At that time you may have to begin making out-of-pocket premium payments again.

Since the current dividend scale is not guaranteed for the future, it is important to remember that any fluctuation in future dividend scales may change this date. An increase in dividends could result in a later date while a decrease in dividends could result in an earlier date.

Please keep in mind that certain transactions can impact, or even terminate, your AP arrangement. For example, if you increase your policy loan, fail to pay loan interest, withdraw from policy values, change your dividend option, or change your frequency of payment to other than annual, you may need to resume out-of-pocket premium payments even sooner.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Tim Thomas

POLICY DISBURSEMENTS & ADMINISTRATION
METLIFE CUSTOMER SERVICE CENTER - WARWICK
DEC 05, 1995

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AP-1A

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MP4011070872

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(1-800-638-5000)
OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 023 456 789 A (Policy Number) JOHN Q POLOWNER (Name of Insured)

Dear Policyowner

We are writing to let you know how your recent loan, which included borrowing against your Paid-Up Additions Rider, affects the Accelerated Payment (AP) arrangement.

Based on our current dividend scale, it is anticipated that the AP arrangement will only continue paying the annual premiums until your policy anniversary in 2000. At that time you may have to begin making out-of-pocket premium payments again.

Since the current dividend scale is not guaranteed for the future, it is important to remember that any fluctuation in future dividend scales may change this date. An increase in dividends could result in a later date while a decrease in dividends could result in an earlier date.

Please keep in mind that certain transactions can impact, or even terminate, your AP arrangement. For example, if you increase your policy loan, fail to pay loan interest, withdraw from policy values, change your dividend option, or change your frequency of payment to other than annual, you may need to resume out-of-pocket premium payments even sooner.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Tim Thomas

POLICY DISBURSEMENTS & ADMINISTRATION
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AP-1B

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MP401070873

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JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 033 456 789 MS — Policy Number   JOHN Q POLOWNER — Name of Insured

Dear Policyowner

We are writing to let you know how your recent loan, which included borrowing against your dividend balance and Paid-Up Additions Rider, affects the Accelerated Payment (AP) arrangement.

Based on our current dividend scale, it is anticipated that the AP arrangement will only continue paying the annual premiums until your policy anniversary in 2000. At that time you may have to begin making out-of-pocket premium payments again.

Since the current dividend scale is not guaranteed for the future, it is important to remember that any fluctuation in future dividend scales may change this date. An increase in dividends could result in a later date while a decrease in dividends could result in an earlier date.

Please keep in mind that certain transactions can impact, or even terminate, your AP arrangement. For example, if you increase your policy loan, fail to pay loan interest, withdraw from policy values, change your dividend option, or change your frequency of payment to other than annual, you may need to resume out-of-pocket premium payments even sooner.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Tim Thomas

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AP-1C

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(1-800-638-5000)
OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 043 456 789 M — Policy Number   JOHN Q POLOWNER — Name of Insured

Dear Policyowner

We are writing to let you know how your recent nonpayment of loan interest, which has been added to your outstanding loan, affects the Accelerated Payment (AP) arrangement.

Based on our current dividend scale, it is anticipated that the AP arrangement will only continue paying the annual premiums until your policy anniversary in 2000. At that time you may have to begin making out-of-pocket premium payments again.

Since the current dividend scale is not guaranteed for the future, it is important to remember that any fluctuation in future dividend scales may change this date. An increase in dividends could result in a later date while a decrease in dividends could result in an earlier date.

Please keep in mind that certain transactions can impact, or even terminate, your AP arrangement. For example, if you increase your policy loan, fail to pay loan interest, withdraw from policy values, change your dividend option, or change your frequency of payment to other than annual, you may need to resume out-of-pocket premium payments even sooner.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Peggy Clark

CASH/LOAN/DIVIDEND/MATURITIES
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AP-ID

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MP401070875

FOR QUESTIONS OR SERVICE, PLEASE CA 1-800-MET-5000 (1-800-638-5000) OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 063 456 789 M — Policy Number
JOHN Q POLOWNER — Name of Insured

Dear Policyowner

We are writing to let you know how your recent withdrawal from your Paid-Up Additions Rider affects the Accelerated Payment (AP) arrangement.

Based on our current dividend scale, it is anticipated that the AP arrangement will only continue paying the annual premiums until your policy anniversary in 2000. At that time you may have to begin making out-of-pocket premium payments again.

Since the current dividend scale is not guaranteed for the future, it is important to remember that any fluctuation in future dividend scales may change this date. An increase in dividends could result in a later date while a decrease in dividends could result in an earlier date.

Please keep in mind that certain transactions can impact, or even terminate, your AP arrangement. For example, if you make additional withdrawals from policy values, take a policy loan, fail to pay loan interest, change your dividend option, or change your frequency of payment to other than annual, you may need to resume out-of-pocket premium payments even sooner.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Tim Thomas

POLICY DISBURSEMENTS & ADMINISTRATION
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DEC 05, 1995

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MP40110708 76

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JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 053 456 789 M
Policy Number

JOHN Q POLOWNER
Name of Insured

Dear Policyowner

We are writing to let you know how your recent dividend withdrawal affects the Accelerated Payment (AP) arrangement.

Based on our current dividend scale, it is anticipated that the AP arrangement will only continue paying the annual premiums until your policy anniversary in 2000. At that time you may have begin making out-of-pocket premium payments again.

Since the current dividend scale is not guaranteed for the future, it is important to remember that any fluctuation in future dividend scales may change this date. An increase in dividends could result in a later date while a decrease in dividends could result in an earlier date.

Please keep in mind that certain transactions can impact, or even terminate, your AP arrangement. For example, if you make additional withdrawals from policy values, take a policy loan, fail to pay loan interest, change your dividend option, or change your frequency of payment to other than annual, you may need to resume out-of-pocket premium payments even sooner.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Tim Thomas

POLICY DISBURSEMENTS & ADMINISTRATION
METLIFE CUSTOMER SERVICE CENTER - WARWICK
DEC 05, 1995

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AP-1E

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MP401070877

FOR QUESTIONS OR SERVICE, PLEASE C 1-800-MET-5000 (1-800-638-5000) OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 073 456 789 MS — Policy Number

JOHN Q POLOWNER — Name of Insured

Dear Policyowner

We are writing to let you know that as a result of your recent loan, which included borrowing against your dividend balance, you will not be able to use the Accelerated Payment (AP) arrangement to pay your next annual premium.

Therefore, in order to keep your policy in full benefit, it is necessary for you to begin making out-of-pocket premium payments again.

You will be billed for your next premium due DEC 31, 1995.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Peggy Clark

CASH/LOAN/DIVIDEND/MATURITIES
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DEC 05, 1995

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AP-2A

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MP4011070878

FOR QUESTIONS OR SERVICE, PLEASE C
1-800-MET-5000
(1-800-638-5000)
OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 083 456 789 A (Policy Number) JOHN Q POLOWNER (Name of Insured)

Dear Policyowner

We are writing to let you know that as a result of your recent loan, which included borrowing against your Paid-Up Additions Rider, you will not be able to use the Accelerated Payment (AP) arrangement to pay your next annual premium.

Therefore, in order to keep your policy in full benefit, it is necessary for you to begin making out-of-pocket premium payments again.

You will be billed for your next premium due DEC 31, 1995.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Peggy Clark

CASH/LOAN/DIVIDEND/MATURITIES
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AP-2B

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FOR QUESTIONS OR SERVICE, PLEASE C**/**
1-800-MET-5000
(1-800-638-5000)
OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 093 456 789 A — Policy Number
JOHN Q POLOWNER — Name of Insured

Dear Policyowner

We are writing to let you know that as a result of your recent loan, which included borrowing against your dividend balance and Paid-Up Additions Rider, you will not be able to use the Accelerated Payment (AP) arrangement to pay your next annual premium.

Therefore, in order to keep your policy in full benefit, it is necessary for you to begin making out-of-pocket premium payments again.

You will be billed for your next premium due DEC 31, 1995.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Tim Thomas

POLICY DISBURSEMENTS & ADMINISTRATION
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AP-2C

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MP40110070880

FOR QUESTIONS OR SERVICE, PLEASE CA
1-800-MET-5000
(1-800-638-5000)
OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 103 456 789 M — Policy Number
JOHN Q POLOWNER — Name of Insured

Dear Policyowner

We are writing to let you know that as a result of your recent nonpayment of loan interest, which has been added to your outstanding loan, you will not be able to use the Accelerated Payment (AP) arrangement to pay your next annual premium.

Therefore, in order to keep your policy in full benefit, it is necessary for you to begin making out-of-pocket premium payments again.

You will be billed for your next premium due DEC 31, 1995.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Tim Thomas

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MP4011070881

FOR QUESTIONS OR SERVICE, PLEASE C. 1-800-MET-5000 (1-800-638-5000) OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 113 456 789 PR (Policy Number) JOHN Q POLOWNER (Name of Insured)

Dear Policyowner

We are writing to let you know that as a result of your recent dividend withdrawal, you will not be able to use the Accelerated Payment (AP) arrangement to pay your next annual premium.

Therefore, in order to keep your policy in full benefit, it is necessary for you to begin making out-of-pocket premium payments again.

You will be billed for your next premium due DEC 31, 1995.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Peggy Clark

CASH/LOAN/DIVIDEND/MATURITIES
METLIFE CUSTOMER SERVICE CENTER - TULSA
DEC 05, 1995

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AP-2E

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FOR QUESTIONS OR SERVICE, PLEASE C
1-800-MET-5000
(1-800-638-5000)
OR THE TELEPHONE NUMBER ABOVE.

JOHN Q POLOWNER
1 MAIN ST
HOMETOWN NY 12345

Re 123 456 789 MS
Policy Number

JOHN Q POLOWNER
Name of Insured

Dear Policyowner

We are writing to let you know that, as a result of your recent withdrawal from your Paid-Up Additions Rider, you will not be able to use the Accelerated Payment (AP) arrangement to pay your next annual premium.

Therefore, in order to keep your policy in full benefit, it is necessary for you to begin making out-of-pocket premium payments again.

You will be billed for your next premium due DEC 31, 1995.

If you have questions about the AP arrangement or your insurance coverage in general, please call your MetLife Representative at the telephone number listed above.

Sincerely

Tim Thomas

POLICY DISBURSEMENTS & ADMINISTRATION
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DEC 05, 1995

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